

FEDERAL RESERVE BANK OF DALLAS

DALLAS, TEXAS 75222

Circular No. 77-95
August 30, 1977

REVISION OF BULLETIN 6

TO ALL MEMBER BANKS IN THE ELEVENTH FEDERAL RESERVE DISTRICT:

There is enclosed a complete revision of Bulletin 6, effective September 1, 1977, entitled "Wire Transfers of Funds," which is this Bank's operating bulletin governing the details of Reserve Bank funds transfer operations and contains all uniform provisions currently applicable throughout the Federal Reserve System. Included in the "Notes" section of Bulletin 6 are additional terms and conditions imposed by this Bank and applicable to the Eleventh Federal Reserve District. Note 2(b) (1) provides that code word listings are null and void at the end of exactly six calendar months from the issuance date shown on the listing. This should help to insure that code word listings do not become outdated through disuse or fluctuation in transfer of fund activity. Note 2(g) indicates that member banks without code word listings may contact the Wire Transfer Division directly and such transfer requests will be authenticated on a call-back basis. Note 3 points out that either the manager or the assistant manager of the Accounting Department may be contacted at any time during normal business hours for the purpose of corroborating any transfer of funds in which telephone notification has been given by us and received by a member bank. Member banks are encouraged to telephone the manager or assistant manager of the appropriate Federal Reserve Accounting Department whenever they receive a telephone notification of an incoming transfer of funds that is unusual or potentially questionable in any manner.

A current Bulletin 6A, Schedule of Time Limits, (formerly designated Supplement A of Bulletin 6) is enclosed for your reference. Member banks and others should file the new Bulletins 6 and 6A in their Regulations Binders. Questions regarding this revision should be directed to Allan Y. Neale at the Head Office, Ext. 6334, or the Manager of the Accounting Department at our El Paso, Houston, or San Antonio Branches.

Banks and others are encouraged to use the following incoming WATS numbers in contacting this Bank: 1-800-492-4403 (intrastate) and 1-800-527-4970 (interstate). For calls placed locally, please use 651 plus the extension referred to above.

Additional copies of Bulletins 6 and 6A will be furnished upon request to the Secretary's Office of this Bank, Ext. 6267.

Sincerely yours,

Robert H. Boykin

First Vice President

Enclosures

BULLETIN 6

Wire Transfers of Funds



FEDERAL RESERVE BANK OF DALLAS

SCOPE

This bulletin sets forth general information pertaining to transfers of funds through this Bank. The procedures established are designed to increase the speed and efficiency of such transactions, and they may be used, among other things, for federal funds transfers and in lieu of a draft drawn on correspondent banks to cover anticipated charges to a reserve account.

1. This bulletin and our schedule of time limits, issued pursuant to the provisions of Sections 4, 13, 14, 16, and 19 of the Federal Reserve Act and the provisions of related statutes and in conformity with the provisions of Subpart B of Regulation J of the Board of Governors of the Federal Reserve System (hereinafter referred to as Subpart B), prescribe the terms and conditions upon which this Bank will execute certain transfers of funds between transferors and transferees.

2. Section 210.65 of Subpart B. provides that each Federal Reserve Bank shall issue bulletins not inconsistent with the provisions of that Subpart governing the details of its funds transfer operations and containing such other matters as are required by such provisions and such additional terms and conditions as each Federal Reserve Bank may impose. All terms defined in Subpart B and used herein have the meanings stated in that Subpart. Section 210.51 of Subpart B provides that the provisions of that Subpart and of the operating circulars of the Federal Reserve Banks shall be binding upon transferors and transferees.

3. Unless otherwise stated, all references to "this Bank" will include the Head Office and its El Paso, Houston, and San Antonio Branches.

TERMS AND CONDITIONS

4. Subpart B prescribes terms and conditions under which all Federal Reserve Banks will handle transfer items and requests by telephone for the issuance of transfer items (hereinafter referred to as "requests for transfer items") which have been received from transferors. Such terms and conditions and the terms and conditions of this bulletin, and our schedule of time limits will apply to this Bank's handling of transfer items and requests for transfer items.

ISSUANCE OF TRANSFER ITEMS AND REQUESTS FOR TRANSFER ITEMS

5. Subject to the applicable provisions of this bulletin, transferors maintaining or using accounts with an office of this Bank may issue transfer items or requests for transfer items to that office, in accordance with the provisions of this bulletin: *Provided*, that each transferor, other than a Federal Reserve Bank, using our

wire transfer of funds facilities shall maintain with this Bank a balance of actually and finally collected funds in accordance with Section 210.57(a) of Subpart B; and *Provided further*, That this Bank may in its discretion refuse to act upon a transfer item at any time when this Bank has reason to believe that the balance in the account maintained or used by such transferor is not sufficient to cover such item.

6. Transferors must follow such formats as may be prescribed by this Bank for transfer items or requests for transfer items.

7. Except with the approval of this Bank, the text of any such transfer item may not exceed a maximum of 380 characters including punctuation, third party information, and any other appropriate instructions. While transfer items and requests for transfer items will be accepted by us only from transferors and funds will be transferred only to transferees, funds may be designated by means of descriptive third party information for the use of any beneficiary.

8. Transfers of funds in any amount of \$1,000 or over will be made without charge. A service charge of \$1.50 shall be imposed on a transferor, other than a Federal Reserve Bank or the Federal Government in connection with transactions involving transfers of under \$1,000 between Federal Reserve offices. Such charges may be made to the transferor's account on our books.

9. Transfer items and requests for transfer items will be accepted only if we are thereby instructed to transfer funds on this Bank's business day of receipt.

10. Transfer items may be issued to us by means of electronic telecommunications arrangements made with this Bank, or, in unusual circumstances and in the discretion of this Bank, in other media approved by Section 210.53 of Subpart B. A transfer item contained in a letter, memorandum, or similar writing must be duly signed by an authorized officer of the transferor whose signature is on file with this Bank. Transfer items must be authenticated at the time of their issuance by the transferor's use of such codes or procedures as may be prescribed by this Bank.

REQUESTS BY TELEPHONE FOR TRANSFERS OF FUNDS

11. Upon arrangement with this Bank, requests for transfers of funds may be made by telephone. (See Note 1) Such requests must be authenticated at the time of their issuance by the transferor's use of such codes or procedures as may be prescribed by this Bank, and such requests may be automatically recorded. (See Note 2) We reserve the right to require a transferor to confirm its request by a letter of confirmation over authorized signature(s). If a transferor issues a communication in the form of a transfer item without expressly indicating that it is a confirmation, we may treat the communication as a transfer item and will assume no liability for loss resulting from a transfer of funds based on that communication.

12. If a transferor of a transfer item or request for a transfer item instructs this Bank or any other Federal Reserve Bank to transfer funds under conditions different from those imposed by the provisions contained in this bulletin, in the operating circular, letter, or bulletin of the transferee's Federal Reserve Bank, or in Subpart B, this Bank reserves the right to refuse to accept and act upon any such item or request.

HANDLING OF TRANSFER ITEMS AND REQUESTS FOR TRANSFER ITEMS

Method of Executing Transfers of Funds

13. Where the transferor and transferee maintain or use accounts at the same office of this Bank, such office upon receiving a transfer item or a request for a transfer item shall execute a transfer of funds to the transferee by making corresponding debit and credit entries on its books.

14. In the case of an interoffice transaction, the office first receiving the transfer item or request for a transfer item shall debit the transferor's account in the amount to be transferred and, acting as a transferor, shall issue to the Federal Reserve office at which the transferee's account is maintained a matching transfer item in the same amount and payable to the same transferee and beneficiary, if any, as designated by the transferor.

15. Notice of any significant delay in executing transfers of funds will be communicated to transferors within a reasonable time after this Bank obtains knowledge of such delay.

16. While this Bank will handle transfer items and requests for transfer items promptly and it is expected that a transfer of funds will be consummated on the business day requested when such items and requests are received before the closing hours established in Bulletin 6A, no representation of such consummation is made by this or any other Federal Reserve Bank to or through which a transfer of funds is to be made. This Bank will not be responsible to the transferor or to any other person for any loss or delay resulting from action taken by us in handling an item on the basis of any improper or erroneous routing number inserted thereon by the transferor or any other improper or erroneous designation appearing thereon, whether or not consistent with the routing number.

Closing Hours

17. Bulletin 6A contains a schedule of time limits showing the latest hours on each business day (the closing hours) at which this Bank will accept transfer items and requests for transfer items. Items and requests received after the applicable closing hours will, except as provided in the next following paragraph, be considered received the following business day.

18. When, after the applicable closing hour, an office of this Bank receives a transfer item or request for a transfer item for consummation on the day of receipt, this Bank may, in its discretion, complete the transfer on that day, by debiting and crediting the accounts of the transferor and the transferee on its books, if both are maintained at that office, or, if not, may issue a transfer item to the Federal Reserve office at which the transferee's account is maintained, in which case the completion of the transfer on that day shall be discretionary with that office.

Advices of Credit and Debit

19. Advice of credit with respect to a transfer of funds will be sent or made available to the transferee by the office of this Bank with which it maintains or uses an account. When the transferor or transferee has so requested and

this Bank deems such action appropriate, or when in the judgment of this Bank, the nature of the transaction or the amount involved justifies such action, advice of credit will be given to such transferee by telephone, telegraph, or other form of electronic telecommunications. Authentication of an advice of credit given by telephone or telegraph should be made by the transferee at the time of receipt of the advice in accordance with arrangements made with this Bank. (See Note 3) In the event of a discrepancy between an advice given by telephone, telegraph, or other form of electronic telecommunications and one given in an advice of credit accompanying or contained in a statement mailed or delivered by this Bank, a member bank shall be deemed to have approved the credit reflected in the mailed or delivered advice unless written objection is sent to this Bank within 10 calendar days following receipt by the transferee of such mailed or delivered advice.

20. The office of this Bank with which the transferor maintains or uses an account will send to the transferor an advice of debit. Such advice should be carefully examined by the transferor upon receipt, and any exceptions noted should be reported immediately to this Bank. If within 10 calendar days after the transferor receives an advice of debit, it fails to send to the office of this Bank with which it maintains or uses an account written objection to such debit, the transferor shall be deemed to have approved such debit.

FINAL PAYMENT; TRANSFEE'S RIGHT TO WITHDRAW OR USE FUNDS; TRANSFEE'S AGREEMENT; NOTICE REQUIREMENT

21. A transfer item is finally paid when the transfer item is sent or delivered to the transferee, or when advice of credit is given to the transferee by a Federal Reserve Bank, whichever event occurs first.

22. Upon such final payment, the transferee shall have the right to withdraw or use funds which have been credited to its account in connection with a transfer of funds: *Provided*, That this right is subject to the right of a Federal Reserve Bank to apply transferred funds to an obligation owed to it by the transferee.

23. As provided by Section 210.56 of Subpart B, a transferee, receiving from this Bank the amount of a transfer item which designates a beneficiary, shall be deemed to agree:

- (a) That it will promptly credit said beneficiary's account or otherwise make the amount of the transfer item available to the beneficiary for withdrawal or other use; and
- (b) That, if the transferee is unable to do so, it will give prompt notice of the facts to the office of this Bank with which it maintains or uses an account and that office in turn will give such notice to its transferor.

REQUESTS FOR REVOCATION OF TRANSFER ITEMS AND REQUESTS FOR RETURN OF FUNDS

24. A transferor that has issued a transfer item or request for a transfer item to the office of this Bank with which it maintains or uses an account may subsequently issue to such office a request for revocation of such item or request. Such request for revocation must be authenticated by the use of such codes or procedures as may be prescribed by this Bank. Such office, upon receipt of such a request for revocation, may cancel such item if the request is received at such time and in such manner as to afford such office a reasonable opportunity to act. If the item is not so cancelled:

- (a) Where the transferor and transferee maintain or use accounts at the same office of this Bank, such office may, in its discretion, upon request from the transferor, send a request to the transferee to return the funds previously transferred, or
- (b) In the case of an interoffice transaction, such office may, in its discretion, upon request from the transferor, send a request to the Federal Reserve office at which the transferee maintains or uses an account to request the transferee to return funds previously transferred.

25. To correct an erroneous or otherwise irregular transfer of funds, this Bank, upon its

own initiative or at the request of another Federal Reserve Bank, may send a request to the transferee to return funds previously transferred to it.

GENERAL

26. Transferors issuing transfer items by electronic telecommunications arrangement made with this Bank are advised to audit control procedures to ascertain that their transfer items have been accepted by this Bank's telecommunications and processing equipment.

27. Transferors and transferees should prevent the disclosure outside of such institution, or within it except on a "need to know" basis, of any of the codes or other security procedures relating to transfers of funds. If the confiden-

ality of such procedures is compromised, the transferor or transferee should notify this Bank immediately.

Liability of the Federal Reserve Bank

28. The attention of transferors and transferees is directed to Section 210.64 of Subpart B which sets forth the limitations on the responsibilities and the liability of a Federal Reserve Bank with respect to transfers of funds.

Revision of this bulletin

29. The right is reserved to withdraw, to add to, or to amend, at any time, as to any or all transferors and transferees, any of the provisions of this bulletin and of this Bank's Schedule of Time Limits.

NOTES:

1. (Refer to item 11)

- (a) We will accept telephone requests for transfers of funds in accordance with the Code Word Authentication Procedure outlined in note 2. Telephone requests may be communicated by member banks as follows:

Office	Area Code	Telephone Number	Extension Number
Dallas	800	492-4403*	6156,6157
		(intrastate)	6317,6321
	800	527-4970*	6156,6157
		(interstate)	6317,6321
El Paso	915	544-4730**	72
Houston	713	659-4433**	31 or 54
San Antonio	800	292-5810*	23 or 24

*Toll-free incoming WATS number.

**Call collect.

- (b) A written agreement authorizing specific operating officers of the member bank to issue telephone transfer requests to us should be furnished us by a member bank. The number of officers authorized should be limited to those few who perform this function on a routine basis. A member bank may designate individuals other than officers to issue telephone transfer instructions, but designations must be evidenced by a resolution of the board of directors of the member bank authorizing the designated individuals to request transfers of funds and relieving us from any liability when acting upon such instructions.

2. (Refer to item 11)

- (a) A Code Word Authentication Procedure is utilized between member banks and our offices. It is designed to detect and prevent the processing of unauthorized telephone transfer of funds requests.
- (b) (1) We will furnish a listing containing an approximate three months' supply of code words to each member bank which utilizes our transfer of funds facilities on a regular and continuing basis and which requests a listing. To the extent possible, the number of code words on a listing will approximate the number of transfers a member bank is likely to make in a three-month period, based upon prior activity. To insure that code word listings do not become outdated through disuse or fluctuation in activity, all code word listings, if not earlier exhausted, will become null and void at the end of exactly six calendar months from the issuance date shown on the code word listing. All code word listings are supplied only in response to specific requests.
- (2) All requests for listings of code words should be in writing and signed by an offi-

cer of a member bank whose signature is on file with us.

- (3) Member banks should promptly acknowledge receipt of the code word listings. If a member bank does not receive its code word authentication listings within a reasonable period of time after its request, it should immediately contact the manager or assistant manager of our Accounting Department.
- (c) Each transfer of funds request will require a separate code word and it must be the next sequential, unused code word shown on the code word listing. Otherwise, it will not pass our code word authentication check and it will be necessary both to reconfirm the transfer request by telephone and to reconcile the difference in code words between the member bank and us.
- (d) At the bottom of each listing, it is noted that the list is for authorized use only. Since the the code word will be the principal method of verifying the authenticity of a transfer request, it is strongly suggested that only those individuals authorized to transfer funds at each member bank have access to the code words. This will help insure the confidentiality of the member bank's list and the integrity of the authentication procedure.
- (e) All telephone requests for transfers of funds will be automatically recorded on recording devices and any bank utilizing this method to transfer funds hereby consents to the recording of such conversations. A written letter confirming a transfer of funds will not be required unless specifically requested by this Bank.
- (f) Requests for transfers of funds utilizing the mails, Western Union wires, TWX messages, and TELEX messages normally will not be honored. Requests utilizing these means of transmission should not be made and will be accepted only where prior arrangements have been made or in emergency situations.
- (g) Member banks not utilizing our transfer of funds facilities on a regular and continuing basis will not be supplied with code word listings. To request a transfer, such banks should contact the Wire Transfer Division at the appropriate Federal Reserve office. Such transfer requests will be authenticated on a call-back basis.
3. (Refer to item 19)
- A bank receiving and acting on any telephone notification runs the risk that it is invalid or unauthorized. At any time during normal business hours we are prepared to corroborate any transfer of funds for which telephone notification has been given by us and received by a member bank; a telephone call from the receiving member bank to the manager or assistant manager of the Accounting Department at the numbers shown in note 1. (a) will be promptly handled. Receiving member banks are encouraged to utilize this service whenever a telephone notification is unusual or potentially questionable in any manner, e.g., an unusually large or a third party transfer.

SCHEDULE OF TIME LIMITS
(Closing Hours for the Acceptance of Requests to Make
Telegraphic Transfers of Funds for Consummation
on Day of Receipt)

Requests must be received not
later than time shown below

FOR TRANSFERS THROUGH:	Dallas, Houston, San Antonio Central Time		El Paso Mountain Time	
	Standard Time	Daylight Saving Time	Standard Time	Daylight Saving Time
BOSTON	2:00 P.M.	2:00 P.M.	1:00 P.M.	1:00 P.M.
NEW YORK	2:00 P.M.	2:00 P.M.	1:00 P.M.	1:00 P.M.
Buffalo	2:00 P.M.	2:00 P.M.	1:00 P.M.	1:00 P.M.
PHILADELPHIA	2:00 P.M.	2:00 P.M.	1:00 P.M.	1:00 P.M.
CLEVELAND	2:00 P.M.	2:00 P.M.	1:00 P.M.	1:00 P.M.
Cincinnati	2:00 P.M.	2:00 P.M.	1:00 P.M.	1:00 P.M.
Pittsburgh	2:00 P.M.	2:00 P.M.	1:00 P.M.	1:00 P.M.
RICHMOND	2:00 P.M.	2:00 P.M.	1:00 P.M.	1:00 P.M.
Baltimore	2:00 P.M.	2:00 P.M.	1:00 P.M.	1:00 P.M.
Charlotte	2:00 P.M.	2:00 P.M.	1:00 P.M.	1:00 P.M.
ATLANTA	2:00 P.M.	2:00 P.M.	1:00 P.M.	1:00 P.M.
Birmingham	3:00 P.M.	3:00 P.M.	2:00 P.M.	2:00 P.M.
Jacksonville	2:00 P.M.	2:00 P.M.	1:00 P.M.	1:00 P.M.
Miami	2:00 P.M.	2:00 P.M.	1:00 P.M.	1:00 P.M.
Nashville	3:00 P.M.	3:00 P.M.	2:00 P.M.	2:00 P.M.
New Orleans	3:00 P.M.	3:00 P.M.	2:00 P.M.	2:00 P.M.
CHICAGO	3:00 P.M.	3:00 P.M.	2:00 P.M.	2:00 P.M.
Detroit	2:00 P.M.	2:00 P.M.	1:00 P.M.	1:00 P.M.
ST. LOUIS	3:00 P.M.	3:00 P.M.	2:00 P.M.	2:00 P.M.
Little Rock	3:00 P.M.	3:00 P.M.	2:00 P.M.	2:00 P.M.
Louisville	2:00 P.M.	2:00 P.M.	1:00 P.M.	1:00 P.M.
Memphis	3:00 P.M.	3:00 P.M.	2:00 P.M.	2:00 P.M.
MINNEAPOLIS	3:00 P.M.	3:00 P.M.	2:00 P.M.	2:00 P.M.
Helena	3:00 P.M.	3:00 P.M.	3:00 P.M.	3:00 P.M.
KANSAS CITY	3:00 P.M.	3:00 P.M.	2:00 P.M.	2:00 P.M.
Denver	3:00 P.M.	3:00 P.M.	3:00 P.M.	3:00 P.M.
Oklahoma City	3:00 P.M.	3:00 P.M.	2:00 P.M.	2:00 P.M.
Omaha	3:00 P.M.	3:00 P.M.	2:00 P.M.	2:00 P.M.
DALLAS	3:00 P.M.	3:00 P.M.	2:00 P.M.	2:00 P.M.
El Paso	3:00 P.M.	3:00 P.M.	3:00 P.M.	3:00 P.M.
Houston	3:00 P.M.	3:00 P.M.	2:00 P.M.	2:00 P.M.
San Antonio	3:00 P.M.	3:00 P.M.	2:00 P.M.	2:00 P.M.
SAN FRANCISCO	3:00 P.M.	3:00 P.M.	3:00 P.M.	3:00 P.M.
Los Angeles	3:00 P.M.	3:00 P.M.	3:00 P.M.	3:00 P.M.
Portland	3:00 P.M.	3:00 P.M.	3:00 P.M.	3:00 P.M.
Salt Lake City	3:00 P.M.	3:00 P.M.	3:00 P.M.	3:00 P.M.
Seattle	3:00 P.M.	3:00 P.M.	3:00 P.M.	3:00 P.M.